GOVERNMENT OF INDIA
TOURISM
LOK SABHA

STARRED QUESTION NO:255
ANSWERED ON:15.03.2007
UNIFORM TARRIF STRUCTURE FOR HOTELS
Patil Shri Shriniwas Dadasaheb

Will the Minister of TOURISM be pleased to state:

(a) whether the Government is aware that room rents of hotels are exorbitantly high during the peak season ;

(b) if so, whether the Government plans to create a Uniform Tariff Structure for hotels at tourist spots ;

(c) if so, the details thereof; and

(d) the other steps taken or being taken to make available low budget hotels ?

Answer

THE MINISTER OF THE STATE IN THE MINISTRY TOURISM AND CULTURE (SMT. AMBIKA SONI)

(a), (b), (c) and (d) : A statement is laid on the Table of the Sabha.

STATEMENT IN REPLY TO LOK SABHA STARRED QUESTION NO. 255 ANSWERED ON 15.03.2007 REGARDING UNIFORM TARIFF STRUCTURE FOR HOTELS.

(a) : Yes, Sir. There has been a rise in hotel room tariffs on account of sudden growth in tourism.

(b) and (c) : No, Sir.

(d) : Ministry of Tourism has asked all the State Governments and other land owning agencies including Indian Railways to allot land for hotels especially in the budget category. The State Governments have been advised to follow investor friendly land policies like single window approach for promoting hotel projects, allotting sites on annual rentals/revenue sharing basis, granting extra FSI/FAR for hotels permitting extra commercial usage in the hotels etc., so that the supply position in hotel rooms is improved. The Ministry has a scheme called "Incentive to Accommodation Infrastructure" under which subsidy of 10% of the principal loan is given to hotels between one to three star categories, subject to a maximum assistance of Rs.25 lakh for one star hotels; Rs.50 lakh for two star hotels and Rs.75 lakh for three star hotels. On the request of the Ministry of Tourism, the budget proposal for 2007-08 includes incentive relating to Income Tax Holiday for 5 years for new hotels of budget category coming up between 1.4.2007 to 31.3.2010 in the city of Delhi and some adjoining districts of NCR. The Ministry of Tourism also has schemes for the registration of Guest Houses/Incredible India Bed and Breakfast units/Time sharing establishments with a view to augment availability of classified accommodation in the country.